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AGRI-VIEW

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IN THIS ISSUE:

JUNE ACREAGE RESULTS

JUNE GRAIN STOCKS RESULTS

JUNE HOGS AND PIGS RESULTS

ANALYSIS OF GRAIN STOCKS AND ACREAGE REPORTS

MINNESOTA CORN ACREAGE UP, SOYBEAN ACREAGE DOWN

Minnesota **CORN** acreage is estimated at 8.10 million acres planted for all purposes. This acreage is a five percent increase from last year's final estimate and the second largest planted area behind 2007's 8.40 million acres. An estimated 7.65 million acres are expected to be harvested for grain.

SOYBEAN acreage in Minnesota is estimated at 7.20 million acres planted, down from 7.40 million acres planted last year. **SPRING WHEAT** planted in Minnesota is estimated at 1.60 million acres, unchanged from last year. **WINTER WHEAT** acreage is estimated at 40,000 acres, a decrease of 25,000 acres from 2010.

SUGARBEETS account for an estimated 475,000 acres, an increase of 26,000 acres from 2010. **OAT** planted acreage, estimated at 180,000, is down from 260,000 acres last year. This is the lowest planted area since 1929 when estimates began.

BARLEY acreage, at 80,000 planted acres, is down 6 percent from 2010 and a record low planted area. **CANOLA** growers planted 21,000 acres, down 25,000 acres from last year.

The state's **ALL SUNFLOWER** acreage, at 75,000 acres, is down 15 percent from last year. **FLAXSEED** acreage is estimated at 3,000 acres, down 25 percent from last year.

ALFALFA acreage is unchanged from last year at an estimated 1.10 million acres. **OTHER HAY** acreage is estimated at 700,000 acres, down 12 percent from 2010.

CROP	Minnesota			United States		
	2010	2011	2011/2010	2010	2011	2011/2010
	--- 1,000 Acres ---		Percent	--- 1,000 Acres ---		Percent
Corn	7,700	8,100	105	88,192	92,282	105
Soybeans	7,400	7,200	97	77,404	75,208	97
All Wheat	1,665	1,640	98	53,603	56,433	105
Spring	1,600	1,600	100	13,698	13,627	99
Winter 1/	65	40	62	37,335	41,108	110
Oats	260	180	69	3,138	2,587	82
Barley	85	80	94	2,872	2,815	98
Dry Beans	185	140	76	1,911	1,258	66
Sugarbeets	449	475	106	1,171	1,238	106
Flaxseed	4	3	75	421	229	54
All Sunflowers	88	75	85	1,952	1,856	95
Oil	55	50	91	1,463	1,540	105
Non-Oil	33	25	76	489	316	65
Canola	46	21	46	1,449	1,143	79
All Hay 2/	1,900	1,800	95	59,862	57,605	96
Alfalfa 2/	1,100	1,100	100	19,956	19,329	97
Other Hay 2/	800	700	88	39,906	38,276	96

1/ Acres planted in preceding fall.
2/ Harvested Acres.

BIOTECHNOLOGY VARIETIES

The National Agricultural Statistics Service conducts the June Agricultural Survey in all States each year. Randomly selected farmers across the United States were asked if they planted corn, soybeans, or upland cotton seed that, through biotechnology, is resistant to herbicides, insects, or both. Conventionally bred herbicide resistant varieties are excluded. Insect resistant varieties include only those containing bacillus thuringiensis (Bt). The Bt varieties include those that contain more than one gene that can resist different types of insects. Stacked gene varieties include only those containing biotech traits for both herbicide and insect resistance.

BIOTECHNOLOGY VARIETIES, SELECTED STATES AND UNITED STATES, PERCENT OF ALL PLANTED ACRES, 2010-2011

STATE	Corn								Soybeans	
	Insect Resistant (Bt) Only		Herbicide Resistant Only		Stacked Gene Varieties		All Biotech Varieties		Herbicide Resistant Only	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
	Percent		*Percent*		*Percent*		*Percent*		*Percent*	
IA	15	13	14	16	61	61	90	90	96	97
MN	18	16	28	29	46	48	92	93	93	95
ND	22	26	34	32	37	39	93	97	94	94
SD	6	7	29	25	60	64	95	96	98	98
WI	13	18	29	27	38	41	80	86	88	91
US	16	16	23	23	47	49	86	88	93	94

MINNESOTA JUNE 1 ALL SOYBEAN STOCKS UP 27 PERCENT FROM LAST YEAR

The Minnesota June 1 Grain Stocks Survey estimated **SOYBEANS** stored in all positions at 81.3 million bushels, up 27 percent from a year earlier. On-farm stocks were 40.0 million bushels, an increase of 18 percent from June 1, 2010.

CORN stocks in all positions totaled 504 million bushels, an increase of 2 percent from a year earlier. On-farm storage of 350 million was an increase of 6 percent. **ALL WHEAT** stocks in all positions totaled 29.3 million bushels, down 41 percent from June 1, 2010. On-farm stocks, at 12.0 million bushels, accounted for 41 percent of the total.

BARLEY stocks in all positions totaled 7.38 million bushels, down 36 percent from a year earlier. On-farm stocks of 770 thousand bushels, accounted for 10 percent of the total. **OAT** stocks in all positions totaled 31.1 million bushels, down 18 percent from a year earlier. On-farm storage of 2.5 million bushels accounted for 8 percent of the total and was a decrease of 4 percent over the June 1, 2010, estimate.

JUNE 1 MINNESOTA & U.S. GRAIN STOCKS

COMMODITY	ON FARM		OFF FARM		TOTAL ALL POSITIONS		2011/2010 Percent
	2010	2011	2010	2011	2010	2011	
	-1,000 BUSHELS-						
MINNESOTA							
CORN	330,000	350,000	164,489	153,853	494,489	503,853	102
SOYBEANS	34,000	40,000	30,232	41,337	64,232	81,337	127
ALL WHEAT	28,000	12,000	21,397	17,335	49,397	29,335	59
BARLEY	1,200	770	10,286	6,606	11,486	7,376	64
OATS	2,600	2,500	35,234	28,566	37,834	31,066	82
UNITED STATES							
CORN	2,131,400	1,681,500	2,178,671	1,988,654	4,310,071	3,670,154	85
SOYBEANS	232,600	217,700	338,523	401,382	571,123	619,082	108
ALL WHEAT	209,900	130,915	765,737	729,866	975,637	860,781	88
BARLEY	40,440	26,040	75,059	63,318	115,499	89,358	77
OATS	17,600	14,580	62,716	53,025	80,316	67,605	84

MINNESOTA HOG INVENTORY UP 3 PERCENT FROM LAST YEAR

Minnesota hog producers had an inventory of 7.7 million hogs and pigs on June 1, 2011, up 3 percent from last year and up 1 percent from the March 1, 2011, figure. Breeding inventory totaled 560 thousand head, up 2 percent from a year earlier but unchanged from March 1, 2011. Market hogs and pigs, at 7.14 million head, were up 3 percent from a year ago and up 1 percent from March 1, 2011.

Minnesota's March-May 2011 pig crop totaled 3.00 million head, up 6 percent from a year earlier and up 4 percent from the December 2010-February 2011 pig crop. The 290 thousand sows that farrowed averaged 10.35 pigs per litter, up from 10.15 a year ago. The March-May 2011 litter rate is a record high level for any quarter.

Hog producers in Minnesota intend to farrow 290 thousand sows during the June-August 2011 quarter. If realized, this would be up 4 percent from actual sows farrowed during the same period a year earlier. Producers intend to farrow 295 thousand sows during the September-November 2011 quarter. If realized, this would be up 4 percent from actual sows farrowed during the same period in 2010.

FARROWING INTENTIONS

STATE	SOWS TO FARROW			
	Jun '11-Aug '11	as % of 2010	Sep '11-Nov '11	as % of 2010
	1,000	Pct.	1,000	Pct.
CO	74	101	72	101
IL	250	94	250	96
IN	150	103	150	103
IA	475	100	475	99
KS	88	105	88	111
MI	52	100	52	100
MN	290	104	295	104
MO	185	97	185	103
NE	180	103	180	100
NC	440	89	430	95
OH	87	96	87	97
OK	185	97	185	100
PA	46	92	46	94
SD	88	100	85	97
TX	34	106	33	110
UT	41	98	39	95
Other States 1/	202	93	196	93
US	2,867	97	2,848	99

1/ Individual State estimates not available for the 34 other States.

JUNE 1, 2011, HOG INVENTORIES AND MARCH-MAY 2011 FARROWINGS

STATE	TOTAL		BREEDING		MARKET HOGS & PIGS						SOWS FARROWED MARCH-MAY 2011			
									TOTAL					
	Number	2011 as % of 2010	Number	2011 as % of 2010	Under 50 Pounds	50-119 Pounds	120-179 Pounds	180+ Pounds	Number	2011 as % of 2010	Number	2011 as % of 2010	Pigs Per Litter	Pig Crop 1/
	1,000	Pct.	1,000	Pct.	---------------1,000--------------				1,000	Pct.	1,000	Pct.	Number	1,000
CO	730	97	150	100	285	100	80	115	580	97	71	99	9.80	696
IL	4,550	103	480	98	1,340	1,280	770	680	4,070	104	250	93	9.95	2,488
IN	3,700	101	300	103	1,070	1,010	670	650	3,400	101	145	100	9.55	1,385
IA	19,800	105	1,030	102	4,950	6,000	4,700	3,120	18,770	105	480	102	10.30	4,944
KS	1,860	104	180	97	525	380	260	515	1,680	105	84	100	9.40	790
MI	1,030	96	110	100	300	240	190	190	920	96	52	98	10.00	520
MN	7,700	103	560	102	2,510	2,170	1,440	1,020	7,140	103	290	104	10.35	3,002
MO	2,800	93	355	101	1,015	595	430	405	2,445	92	185	97	10.30	1,906
NE	3,100	100	380	103	920	830	550	420	2,720	100	180	100	10.30	1,854
NC	8,600	96	850	97	2,950	1,810	1,540	1,450	7,750	95	445	92	9.85	4,383
OH	2,030	97	165	100	700	545	390	230	1,865	96	90	101	9.45	851
OK	2,300	99	410	100	790	390	220	490	1,890	99	190	100	9.75	1,853
PA	1,100	95	95	95	235	365	200	205	1,005	95	46	94	10.20	469
SD	1,290	105	175	109	390	295	220	210	1,115	104	91	106	10.40	946
TX	640	96	70	127	150	110	120	190	570	93	34	113	8.80	299
UT	650	89	75	94	290	95	95	95	575	88	40	95	10.40	416
Other Sts 2/	3,120	95	418	97	963	646	549	544	2,702	95	204	95	10.02	2,049
US	65,000	101	5,803	100	19,383	16,861	12,424	10,529	59,197	101	2,877	98	10.03	28,851

Analysis of June 30, 2011, Stocks and Acreage Reports
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USDA released the Grain Stocks and Acreage Reports on June 30, 2011. It is worthy to note that this report has proven to be a major market-mover for the past several years. First on the acreage report, corn plantings were estimated at 92.3 million acres, up 5% from last year. Harvested acres are now estimated at 84.9 million acres, up 4% from last year. This planted acreage is the 2nd highest acreage reported since 1944, only behind the 93.5 million acres planted in 2007. Assuming the same demand conditions in the June report, the carryover would increase to 718 million bushels, (up 23 million bushels). Disappearance was 2.85 billion bushels compared to 3.38 billion bushels last year. Higher prices seem to be rationing demand. Attention will now switch to weather conditions and yield. Markets were called down 1-3 cents based on the early numbers. Average prices estimate is still $6-7/bushel with a move to the lower part of this range.

Acreage for soybeans was estimated at 75.2 million acres, down 3% from last year. Harvested acreage is pegged at 74.3 million acres, also down 3% from last year. Assuming demand similar to last year - 3.29 billion bushels - this could draw down carryover by 7 million bushels for a total of 173 million bushels. The disappearance for the period of March-May is 640 million bushels, also down 10% from last year and also evidence of price rationing. The South America crop is also available and causing downward pressure on prices. Soybean prices were called higher by 2-3 cents /bushel. Average prices may be higher in the $13-15 range previously reported.

Stocks of corn are estimated at 3.67 billion bushels, down 15% from last year. Of this total, 1.68 billion bushels were stored on-farm with 1.99 billion bushels stored off-farm, also down 9%. Stocks of soybeans were pegged at 619 million bushels, up 8% from last year. Of this total, 218 million bushels were stored on-farm, down 6% from last year, with 401 million bushels stored off-farm, up 19% from last year. Wheat stocks were estimated at 861 million bushels, down 12% from last year. Of this total, 131 million bushels were stored on-farms, down 38% from last year, with 730 million bushels stored off-farm, down 5% from last year. Oats and barley stocks were also reported lower. So will we see major market moves as a result of this report. I expect the spread between old and new crop corn to widen somewhat. Producers may need to look for opportunities to lock in new crop prices for corn by using PUT options or forward contracts. Old crop supplies are still limited. China's carryover of corn is also lower and could be the key to future demand.

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<u>NEWS RELEASE</u> - NASS TO COLLECT ADDITIONAL ACREAGE DATA

Issued June 30, 2011, by the Agricultural Statistics Board of the U.S. Department of Agriculture, National Agricultural Statistics Service. For more information contact Lance Honig at (202) 720-2127 or lance_honig@nass.usda.gov.

In July, USDA's National Agricultural Statistics Service (NASS) will collect updated information on 2011 acres planted to corn, soybeans, Durum and other spring wheat in four states. NASS previously collected planted acreage information during the first two weeks of June, with the results published in the June 30 Acreage report. At the time of the survey, a large percentage of acres remained to be planted in four states: Minnesota, Montana, North Dakota and South Dakota. To better assess planted acreage, NASS will resurvey the growers in these states in July. If the newly collected data justifies any changes, NASS will publish updated estimates in the Crop Production report, to be released at 8:30 a.m. EDT on Thursday, August 11. It will be available online at www.nass.usda.gov.

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